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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY PROGRAMME FOR CUBA

Note by the Administrator

I. THE PROGRAMMING PROCESS

1. In preparing the fifth country programme for Cuba (DP/CP/CUB/5), the United Nations Development Programme (UNDP) and the agencies represented in Cuba had extensive consultations with the Government about the optimal use of UNDP resources in the particularly difficult economic conditions which the country is facing. Other United Nations executing agencies also provided substantive inputs and suggestions. Some consultations were held at very senior levels, including the President-Minister of the Comité Estatal de Colaboración Económica (CECE), Vice-Presidents of the Council of State and its President, Dr. Fidel Castro Ruz. This reflects the important role of UNDP and the United Nations development system in Cuba.

2. The benefits of continued UNDP assistance in applied science and technology, the relevance of UNDP-assisted projects within the development strategy of Cuba, the strong manpower and budget support available from the Government, and the need to improve further the realism of project design and other findings of the mid-term review of the fourth country programme were taken into account in the preparatory dialogue. In a more formal way, in September 1990, UNDP presented the Government with specific recommendations for the preparation of the country programme based on the country's situation and the UNDP mandate with special reference to General Assembly resolution 44/211 of 22 December 1989 and Governing Council decision 90/34 of 23 June 1990.

3. In view of the extensive dialogue with UNDP and the capacity of the Government to identify its technical assistance requirements on its own, no organized needs assessments or sectoral reviews have been carried out by UNDP or United Nations executing agencies.

4. Early in 1990 CECE, in its capacity of UNDP's principal counterpart and government mechanism for the coordination of economic cooperation, started in earnest preparations for the fifth country programme for Cuba, 1992-1996. The first step was to invite line ministries and other important government institutions to present their needs for foreign technical assistance, a survey which resulted in a broad needs assessment. Almost 100 projects were proposed with financial requirements for external assistance inputs of close to $US 100 million.

5. Jointly with the National Planning Board and the Academy of Science, CECE reviewed the technical assistance needs of Cuba and started to narrow them down to a country programme of close to $US 11 million, keeping in mind the development priorities which the Government has clearly spelled out in response to the critical economic situation.

6. The fifth country programme which the Administrator presents (DP/CP/CUB/5) has also benefited from close cooperation with the UNDP Regional Bureau for Latin America and the Caribbean. It was discussed and endorsed without reservations by the Project Appraisal Committee of the Regional Bureau and by the Action Committee of UNDP.

II. ANALYTICAL COMMENTARY ON THE COUNTRY PROGRAMME

7. The political changes in Eastern Europe have altered the foundations of Cuba's external trade. While the Union of Soviet Socialist Republics remains the major trading partner, there is uncertainty about long-term developments in the country. As Cuba's economy is highly dependent on inputs from outside, both for food and inputs for industry, there was an immediate need to strengthen vital internal production and broaden the basis for export. The Government has therefore introduced some important new elements in the development strategy of the country. Food security has been given number one priority for the first time. Increased industrial production for local consumption and for export, as well as boosting the tourism sector, are other major pillars on which development is being built. The export strategy includes both traditional exports such as sugar, nickel, citrus fruits, fish and tobacco, as well as new commodities and services in the pharmaceutical and biotechnology subsectors. As part of this strategy the Government has launched new forms of development financing through joint venture agreements with external private capital in the tourism sector and will selectively expand to other sectors.

8. Applied science and technology can play an important role in assisting the Government to convert the potential for quickly increasing food production and for higher exports in actual commodities for internal consumption and for

export. Therefore the Government has decided that science and technology should be the principal theme for the fifth country programme. This will allow UNDP to build on the achievements of the previous country programme, which also focused largely on applied science and technology, and to use its comparative advantages to access modern technologies, identify centres of excellence for training of Cuban personnel, recruit international consultants of top expertise and procure adequate equipment. The programme also includes a strategy to mobilize resources for the areas of investment promotion and enterprise management improvement.

9. Besides the similarities of the fifth country programme to previous programmes, there are important differences as well. The programme is oriented towards the development of products and actual production. The projects which UNDP will support are expected to have a direct impact on the quality, quantity and diversity of production, the well-being of the people and for export earnings. In addition, the two main areas of concentration of the new programme reflect more sharply than previous programmes the two major aspects of the development strategy: food security and export promotion.

10. The fifth country programme, despite the high degree of concentration required for a programme of this magnitude, reflects the content of Governing Council decision 90/34. The programme leans towards transfer and assimilation of modern technologies. Women will be important beneficiaries given their high participation in all aspects of Cuban economic and social life. In other respects, such as participatory development and poverty alleviation, Cuba has already reached relatively high levels as reflected in the Human Development Index (0.877, rank 92). Environment and natural resources management are important subjects within the fifth programme.

11. The use of UNDP resources will continue to show a large proportion spent for equipment. As the standard of education in this country is very high and there is a long tradition of applied research in cooperation with leading countries as well as lively participation of Cuba in the relevant technical forums, the absence of equipment becomes the most critical obstacle when introducing and assimilating modern technologies needed for more, better and more varied products as well as for completely new products, which are based on original work done in the country. Nevertheless, various forms of training and the short-term advice of highly specialized consultants will continue to play an important part in the mix of UNDP inputs.

III. MANAGEMENT OF PROGRAMME IMPLEMENTATION

12. Improvements in the effectiveness and efficiency of the implementation of the UNDP programme are a constant concern of the Government of Cuba and UNDP, and some innovative monitoring techniques have been introduced successfully in this regard. It must be recognized, however, that some external factors, such as the economic blockade of the country and related difficulties, have an adverse effect on implementation. Nevertheless, the resources available have always been committed at an early stage and close financial monitoring will ensure that fourth cycle resources are fully spent by the end of 1991.

13. In line with General Assembly resolution 44/211, the Cuban Government proposes to expand the execution of projects by the Government itself, from 20 per cent during the third cycle and 38 per cent during the fourth cycle. Experience with government execution in Cuba has been encouraging. The local UNDP office will continue providing useful support. Where required, association agreements with United Nations executing agencies concerning particular inputs will be concluded to ensure a good balance between speed, efficiency and high technical standards.

14. Internal monitoring mechanisms have been tightened to improve delivery and the timely availability of progress and financial reporting. Most important is the commitment, the professionalism and the high level of counterparts in the Government, particularly in CECE, who are available for all programme concerns on a day-to-day basis. Worth mentioning are also: a common database shared by CECE, UNDP and the resident United Nations agencies, which should be functioning in 1992 and can be expected to improve substantially joint monitoring and clear detection of difficulties; regular, at least 4 to 6 times a year, "marathon" sessions attended by CECE, UNDP, the respective United Nations agency and the project directors will continue as a very practical tool of ad hoc joint decision-taking; the creation of a local project appraisal committee will ensure better realism and measurability of progress before the project is approved; and finally, the implementation of the programme will benefit from the availability, without cost to the project, of valuable national expertise.

15. As in the fourth cycle, the Government and UNDP are committed to conducting a thorough mid-term review of the projects and the programme to ensure continued relevance. This review should take place early in 1994.

IV. RECOMMENDATION OF THE ADMINISTRATOR

16. The observations made in the present note reflect the Administrator's belief that the fifth country programme for Cuba is relevant for the development of the country, has full Government support in terms of manpower and financial resource availability, and is likely to achieve its objectives.

17. The Administrator therefore recommends that the Governing Council approve the fifth country programme for Cuba.